

**REMARKS**

This application has been carefully reviewed in view of the Office Action mailed September 6, 2007. All rejections are respectfully traversed and reconsideration is respectfully requested.

Applicants acknowledge and appreciate the Patent Office's withdrawal of the finality of the rejections within the previous Final Office Action.

Claims 38-43, 45, 46, 48-54, 56-62, 72-79, and 84-102 are pending in the present application. No claims are canceled by this amendment. New claims 103-105 are added for the Examiner's consideration. Accordingly, claims 38-43, 45, 46, 48-54, 56-62, 72-79, and 84-105 are pending.

**Regarding the Rejection Under 35 U.S.C. § 112, second paragraph**

Claims 38, 46, 62, and 79 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for use of the phrase "if the customer." This rejection is respectfully traversed.

First, for the record, it is noted that claims 46, 62, and 79 are dependent claims. While the claims from which these claims respectively depend do include this language, Applicants are uncertain as to which claims are actually being rejected on this basis. Accordingly, Applicants believe the Patent Office has erred in formulating this rejection, and if rejection is maintained, clarification is required to properly respond.

Regarding the substantive nature of the rejection, the Patent Office is respectfully reminded that "[t]he examiner's focus during examination of claims for compliance with the requirement for definiteness of 35 U.S.C. §112, second paragraph, is whether the claim meets the threshold requirements of clarity and precision, not whether more suitable language or modes of expression are available." MPEP 2173.02 (emphasis added). As long as the claim as a whole apprises one of ordinary skill in the art of its scope and provides clear warning of what constitutes infringement, the claim complies with the statutory requirements of 35 U.S.C. §112, second paragraph. *Id.*

The claim language at issue represents a conditional statement. Applicants respectfully submit that one of ordinary skill in the art would be properly apprised of what constitutes

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infringement based upon this conditional statement when Applicants' claims are taken as a whole. This claim language has clarity and precision as required by 35 U.S.C. §112, second paragraph. Accordingly, this claim language meets the statutory requirements of 35 U.S.C. §112, second paragraph, and is not indefinite.

Furthermore, Applicants respectfully submit that any rejection of claim 38 and any other claims within the present application based upon the conditional language, "if the customer," is not a proper rejection under 35 U.S.C. §112, second paragraph, and the rejection of claims 38, 46, 62, and 79 should be withdrawn.

While the language is believed to be in compliance with 35 U.S.C. §112, second paragraph as explained above, in order to expedite prosecution of the present application, Applicants would be willing to amend claims 38, 72, 84, and 94 to replace the language "if the customer elects," with the language, "upon an election by the customer," if the Patent Office prefers use of such language. Such an amendment would not substantively alter the scope of these claims.

Claims 46, 62, and 79 were further rejected under 35 U.S.C. §112, second paragraph, as being improper hybrid claims. The only explanation provided is that the claims are "claiming multiple statutory classes". This rejection is also respectfully traversed.

The Patent Office is respectfully reminded that "[t]he fact that the independent and dependent claims are in different statutory classes does not, in itself, render the latter improper." MPEP 608.01(n)III. "The fact that a dependent claim which is otherwise proper might relate to a separate invention which would require a separate search or be separately classified from the claim on which it depends would not render it an improper dependent claim." *Id.*

Applicants respectfully submit that the fact that dependent claims 46, 62, and 79 are in a different statutory class from the independent claims from which they depend does not, in itself, render the dependent claims improper. The Patent Office has provided no other basis for this rejection, nor has it articulated any line or reasoning as to why this claim is otherwise improper. Accordingly, the rejection of claims 46, 62, and 79 under 35 U.S.C. § 112, second paragraph, as improper hybrid claims should be withdrawn.

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However, Applicants would be willing to amend claims 46, 62, and 79 to place them in independent form (similar to that of claim 103) when all other issues related to patentability have been resolved if the Patent Office prefers such an amendment. Moreover, the Examiner's attention is directed to new claim 103 which is similar in scope to that of rejected claim 46, and notes that this newly presented claim is of similar scope and is of a form that is clearly proper under 35 U.S.C. §112, second paragraph, illustrating that the rejection of claim 46 exalts form over substance, since essentially the same subject matter can be represented in multiple ways without regard for how the Patent Office views the statutory class.

In view of the above, reconsideration and allowance are respectfully requested.

**Regarding the Rejection Under 35 U.S.C. §103(a)**

Claims 38-43, 45, 46, 48-54, 56-62, 72-79, and 84-102 have been rejected under 35 U.S.C. §103(a) over U.S. Patent No. 5,530,754 to Garfinkle (hereinafter "Garfinkle") in view of U.S. Patent No. 5,715,403 to Stefik (hereinafter "Stefik"). This rejection is respectfully traversed.

For the Patent Office to combine references in an obviousness rejection, the Patent Office must first establish *prima facie* obviousness by showing where each and every element is taught or suggested in the combined references. MPEP 2143.03. This is fundamental to an analysis under the factual inquiries required by *Graham v. John Deere*, 383 U. S. 1 (Supreme Court, 1966) as a part of identification of the scope and content of the prior art. The Patent Office has failed to do so in the present rejection. Multiple claim elements are missing from the combination of Garfinkle with Stefik, and the Patent Office has failed to provide any articulated reasoning as to why one of ordinary skill in the art would find the claims as a whole to be obvious in the absence of the claim features not present in the cited art (See *In re Kahn*, 441 F. 3d 977, 988 (CA Fed. 2006), as explicitly endorsed by the Supreme Court). Such an analysis is required in order to satisfy the factual inquiry ascertaining the differences between the prior art and the claims at issue. Accordingly, the Patent Office has failed to establish *prima facie* obviousness and the present rejection should be withdrawn.

Prior to addressing the merits of the rejection, Applicants offer a brief summary of certain

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embodiments as claimed in order to provide context for the arguments that follow, without intent to limit any claim's scope. Applicants have devised a way for a customer to pay for and obtain audio video (A/V) content as part of an initial transaction. The A/V content includes portions, such as a soundtrack, a documentary segment, or an interview for example, that may be selected and extracted from or provided separately from the A/V content itself. The customer completes a separate transaction to acquire additional rights to the selected portion of the A/V content. Upon completion of the transaction to acquire additional rights to the selected portion, the customer is enabled to store the selected portion separate from the A/V content itself. The selected portion which is extracted may have different usage rules than the A/V content itself based upon the additional rights acquired by the customer. The opportunity to acquire additional rights may be presented, for example, whenever the customer chooses to pause or stop the A/V content or at the beginning or end of presentation of the content.

In contrast, in the Garfinkle reference a customer navigates a catalog store which identifies multiple video products available from a remote product store. When a customer selects a video product, the customer may also select additional video products, such as a trailer, leadin, or critic's review, for purchase. These additional video products are purchased as part of the same transaction and prior to any transfer operation for the initial video product. The Garfinkle reference provides for splicing the separate video products together on the customer's equipment to allow one video product to play while another video product is downloaded. Accordingly, the Garfinkle reference does not teach or suggest completing a separate transaction to acquire additional rights to a selected portion of the A/V content itself. Instead, the Garfinkle reference shows selecting separate and distinct video items using a single menu interaction and completing one transaction to purchase all selected video products. The Stefik reference discusses the concept of a usage right and does not add significantly to the Garfinkle reference. The Stefik reference does not cure the deficiencies of the Garfinkle reference. Accordingly, the combination of Garfinkle with Stefik is not sufficient to establish a *prima facie* case of obvious.

Specifically regarding the rejection of claim 38, the Patent Office asserts that the Garfinkle reference shows the A/V content of claim 38. (See Office Action mailed September 6,

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2007, p. 3). However, the video products of Garfinkle are distinct and separate video products which are spliced together on the customer's equipment when purchased. (See Garfinkle, col. 4, ll. 21-26). Applicants respectfully submit that the A/V content as claimed is distinct from the separate video products of the Garfinkle reference. Applicants define the A/V content to include selectable portions that are the subject of transactions by which a customer acquires additional rights to the selectable portions of the A/V content. (See Application, Figure 6). As such, the Garfinkle reference does not teach or suggest Applicants' A/V content. Furthermore, Applicants finds no teaching or suggestion with the Stefik reference to cure this deficiency, and no articulated reasoning as to why the claim is obvious despite these missing elements. Accordingly, Applicants respectfully submit that the combination of the Garfinkle reference with the Stefik reference does not teach or suggest the A/V content of claim 38. Accordingly, the A/V content of claim 38 is separate and distinct from the video product of the Garfinkle reference, either alone or in combination with the Stefik reference, and the rejection of claim 38 should be withdrawn for at least this reason.

Claim 38 further recites that payment is received from the customer for transfer of the A/V content and recites transferring the A/V content to the customer. Claim 38 further recites that the customer is presented with an opportunity to complete a transaction to acquire additional rights to a selected portion of the A/V content. The selected portion of the A/V content comprises at least one of a soundtrack, a documentary segment, an interview, an audio segment, a video segment, and a still image. Applicants find no teaching or suggestion within the combination of the Garfinkle and Stefik references of the ability to select portions of the video product which has already been transferred to the customer. In fact, separate video products must be separately selected and downloaded as part of a single transaction. (See Garfinkle, col. 4, ll. 13-21). Accordingly, in addition to not teaching or suggesting the A/V content of claim 38, the selection of portions of the A/V product is also not taught or suggested by the combination of references and the rejection of claim 38 should be withdrawn for at least this additional reason.

Applicants further find no teaching or suggestion of an additional transaction to acquire additional rights to a selected portion of the video product which has been transferred to the customer within the combination of the Garfinkle and Stefik references. While separate video

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products may be downloaded and spliced together within the Garfinkle reference, Applicants find no teaching or suggestion whatsoever of performing a transaction to acquire additional rights to a selected portion of a transferred video product within the combination of references. Accordingly, the rejection of claim 38 should be withdrawn for at least this additional reason.

The Patent Office further asserts that the customer of the Garfinkle reference is enabled to store a selected portion of the video product if the customer elects to complete the transaction. This assertion is defective for at least two reasons. First, as discussed above, the customer cannot select a portion of the video product within the Garfinkle reference and the Stefik reference does not cure this deficiency. Second, the customer within the Garfinkle reference must make all selections prior to completing a single transaction. As such, in addition to not being able to select a portion of the video product, there is no separate transaction within the combination of the Garfinkle and Stefik references with which to acquire additional rights to a selected portion of the video product. Because the customer within the Garfinkle reference cannot select a portion of the video product and cannot acquire additional rights to a portion of the video product by electing to complete a separate transaction, the customer within the Garfinkle reference cannot store such a selected portion of the video product. The Stefik reference does not cure these deficiencies. Accordingly, the rejection of claim 38 should be withdrawn for at least these additional reasons.

Based upon the numerous elements which are missing from the combination of the combination of the Garfinkle and Stefik references, as discussed above, the Patent Office has not shown where each and every element of the claims are taught or suggested in the combined references. Additionally, the Patent Office has not provided any articulated reasoning to explain why the claims including those missing elements would be obvious. Accordingly, the Patent Office has not established a *prima facie* case of obviousness for at least these reasons and the rejection of claim 38 should be withdrawn for at least these reasons. Reconsideration and allowance are respectfully requested.

Specifically regarding claim 39, the Patent Office submits the claim to be obvious and mentions a second IC card. However, there is no IC card claimed in claim 39, and Applicants

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fail to understand the reasoning of the rejection. The claim calls for a second usage rule, and there is no requirement that the second usage rule be the same as the first usage rule. Hence, any implication that providing a second usage rule is a duplicate is without merit since the second rule defines use of the selected portion. Reconsideration and allowance of claim 39 are respectfully requested.

Specifically regarding claim 40, the Patent Office cites col. 3, lines 54-62 as supporting a TOC that indexes selected portion. However, there is no teaching that such selected portion forms a part of the TOC in the A/V content as claimed. Instead, there is only a disclosure that the various content that can be ordered forming part of a catalog (note there is no disclosure that the catalog or a TOC forms a part of the A/V content). Reconsideration and allowance of claim 40 is respectfully requested.

Specifically regarding claim 42, the Patent Office asserts that Stefik discloses presenting and enabling to take place within a designated period of time and references Fig. 15 for this teaching. Applicants find no such teaching or suggestion in Fig. 15 which merely lists usage rights grammar without teaching or suggesting to one of ordinary skill in the art how to meet the features of claim 42. Reconsideration and allowance are respectfully requested.

Specifically regarding claim 49, the Patent Office has taken Official Notice to formulate this rejection. The Applicants hereby request that proof in compliance with MPEP 2144.04 be provided of the information being noticed. Per MPEP 2144.04, "Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. ... [A]ssertion of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. ... Ordinarily, there must be some form of evidence in the record to support an assertion of common knowledge. ... Any rejection based on assertions that a fact is well-known or is common knowledge in the art without

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documentary evidence to support the examiner's conclusion should be judiciously applied. Furthermore, ... any facts so noticed should be of notorious character and serve only to 'fill in the gaps' in an insubstantial manner which might exist in the evidentiary showing made by the examiner to support a particular ground for rejection." (Citations omitted, emphasis added)

In the present case, the undersigned is not aware of "the storing comprises receiving a key code from the content provider to permit storing the selected portion" being known in the art. Moreover, the undersigned respectfully submits that it is at least not so notoriously well known as to meet the requirements for Official Notice as outlined above. Hence, Applicants respectfully request proof of the assertion of Official Notice or withdrawal of same and allowance of claim 49.

Specifically regarding claims 72, 84, and 94, these claims include similar elements to those discussed above with respect to claim 38. Accordingly, the rejection of claims 72, 84, and 94 should be withdrawn for at least the same reasons. Claims 39-43, 45, 46, 48-54, 56-62, 73-79, 85-93, and 95-102 depend, either directly or indirectly, from one of claims 38, 72, 84, and 94. Accordingly, Applicants respectfully submit that the rejection of claims 39-43, 45, 46, 48-54, 56-62, 73-79, 85-93, and 95-102 should be withdrawn for at least the same reasons as the independent claims from which they depend. Hence Reconsideration and allowance of claims 38, 72, 84 and 94 and all claims dependent thereon are respectfully requested.

Applicants reserve the right to make future arguments of patentability between these claims and the cited references, if necessary. Applicants respectfully submit that claims 38-43, 45, 46, 48-54, 56-62, 72-79, and 84-102 are now in proper condition for allowance and notice of the same is respectfully requested at the earliest possible date.

Claims 103-105 have been added. Claim 103 is similar in scope to claim 46. Claims 104 and 105 incorporate several aspects from claim 38 and its dependent claims. No new matter has been added. Applicants respectfully submit that claims 103-105 are in proper condition for allowance and notice of the same is respectfully requested at the earliest possible date.

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**Conclusion**

The undersigned additionally notes that many other distinctions exist between the cited art, including Official Notice, and the claims. However, in view of the multiple clear distinctions pointed out above, further discussion is believed to be unnecessary at this time. Failure to address each point raised in the Office Action should accordingly not be viewed as accession to the Examiner's position or an admission of any sort. Applicants reserve the right to provide additional arguments if necessary in relation to any of the rejected claims.

In view of the discussion above, claims 38-43, 45, 46, 48-54, 56-62, 72-79, and 84-105 are now in proper condition for allowance. Reconsideration is respectfully requested and notice of allowance for all pending claims is respectfully requested at the earliest possible date.

If any issues remain, the Examiner is again encouraged to contact the undersigned to expedite allowance and issue and avoid the necessity and expense of appeal.

Respectfully submitted,

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